



## CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Public Benefits Program Grant – Demand-side Management Project - Fairmont Sign Company (38,110)

**MEETING DATE:** August 18, 1999

**PREPARED BY:** Electric Utility Director

**RECOMMENDED ACTION:** That the City Council approve a Public Benefits Program grant in the amount of \$38,110. The funds will be utilized for the purchase of energy efficient warehouse lighting, highly efficient HVAC (heating, ventilation, and air conditioning) equipment and energy management system controls.

**BACKGROUND INFORMATION:** To date, numerous Public Benefits Program grants have been approved by the City Council. A number of the grants have been allocated for large commercial and industrial energy efficiency retrofit applications. This particular funding request is for a new construction effort- Fairmont Sign Company located on Guild Avenue between Industrial Way and Vine Street.

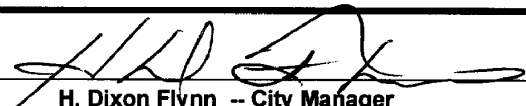
The Fairmont Sign construction team and representatives from the City of Lodi Electric Utility energy assessment group met on several occasions to review and discuss various energy efficiency upgrades and applications. Based upon the recommendations made by the City of Lodi's energy assessment team, the Fairmont Sign Company has agreed to purchase and install over 140 JK SUPER-640-P, 40-watt biax fluorescent light fixtures, of which the Public Benefits Program fund will reimburse the company 25 percent of the purchased cost of the fixtures. Other energy efficient lighting upgrades include: motion sensors, photo-cells and load or light-shedding devices to assist in reducing energy consumption generated from the warehouse and manufacturing areas of the new facility.

In addition, a portion of the requested Public Benefits Program grant will be utilized for the installation of new, highly efficient HVAC units and controls (such as digital, programmable thermostats) for the Fairmont Sign Company's office and customer lobby area. Again, the Public Benefits Program fund will reimburse Fairmont Sign Company 25 percent of the purchased cost of these energy efficient units and related materials & controls.

Fairmont Sign Company, headquartered in Detroit, Michigan, broke ground on their new Lodi site in the late spring of this year. Representatives of the sign manufacturer are targeting to be fully operational by November 1, 1999. The company, which produces signage for numerous global corporations, will eventually employ over 100 people.

The City of Lodi Public Benefits Program is comprised of four (4) customer groups: commercial/industrial, residential, community/non-profit, and municipal. In addition, the program is divided into four (4) main

**APPROVED:** \_\_\_\_\_

  
H. Dixon Flynn -- City Manager



## CITY OF LODI

## COUNCIL COMMUNICATION

categories, as mandated by state law: demand-side management, assistance for low-income customers, energy research & development, and renewable energy sources. This funding request is categorized as commercial/industrial, and is considered a demand-side management project because it is designed to assist the company in reducing energy costs, while also reducing operations and maintenance expenditures inside the plant.

The City of Lodi Electric Utility respectfully recommends approval of this funding request as a qualifying component under the City of Lodi's Public Benefits Program.

**FUNDING:** 164604 – Public Benefits Program Fund (Category - Demand-side Management)

**Funding Approval:**

*Vicky McAthie for*  
Vicky McAthie, Finance Director

*Alan N. Vallow*  
Alan N. Vallow  
Electric Utility Director

**PREPARED BY:** Rob Lechner, Manager of Customer Programs

ANV/RL/lst

C: City Attorney

**APPROVED:** \_\_\_\_\_

H. Dixon Flynn – City Manager

RESOLUTION NO. 99-125

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE  
CITY MANAGER TO PROVIDE A PUBLIC BENEFITS PROGRAM  
GRANT – DEMAND-SIDE MANAGEMENT PROJECT TO FAIRMONT  
SIGN COMPANY

=====

WHEREAS, the State has mandated that beginning January 1, 1998, the City of Lodi is obligated to fund various programs through a Public Benefits Charge (PBC) based on a historical electric revenue requirement; and

WHEREAS, the requirement amount to approximately \$1 Million per year that must be dedicated to qualifying programs such as energy efficiency. A further stipulation is that these efforts must be done on the customer's side of the meter in order to qualify; and

WHEREAS, the Electric Utility Department recommends that the City provide a Public Benefits grant of up to \$38,110.00 to fund a Demand-Side Management Project for Fairmont Sign Company, and include the cost of the grant as part of the City's required PBC outlay.

BE IT RESOLVED, that the Lodi City Council hereby authorizes the City Manager to provide a Public Benefits Charge (PBC) Grant in the amount of up to \$38,110.00 to Fairmont Sign Company to fund a Demand-Side Management Project as follows:

The Fairmont Sign Company has agreed to purchase and install over 140 JK SUPER-640-P, 40-watt biax fluorescent light fixtures, of which the Public Benefits Program fund will reimburse the company 25 percent of the purchased cost of the fixtures. Other energy efficient lighting upgrades include: motion sensors, photo-cells and load or light-shedding devices to assist in reducing energy consumption generated from the warehouse and manufacturing areas of the new facility.

In addition, a portion of the requested Public Benefits Program grant will be utilized for the installation of new, highly efficient HVAC units and controls (such as digital, programmable thermostats) for the Fairmont Sign Company's office and customer lobby area. Again, the Public Benefits Program fund will reimburse Fairmont Sign Company 25 percent of the purchased cost of these energy efficient units and related materials and controls.

Dated: August 18, 1999

=====

I hereby certify that Resolution No. 99-125 was passed and adopted by the Lodi City Council in a regular meeting held August 18, 1999 by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Mann, Nakanishi and Land (Mayor)

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – Pennino

  
ALICE M. REIMCHE  
City Clerk